

*Line
Incoming Issues*

From: HGAISCH --VCH0021A
To: UBUEREN --VCH0021A Uwe Bueren

Date and time 05/04/89 08:32:17

TO : Herr Uwe Bueren
FROM : Helmut Gaisch (S&T)
SUBJECT: The S&T Budget

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Einen schoenen guten Morgen - Greetings.

I would like to summarise my thoughts which I have expressed to you during our recent discussions.

There are basically two issues :

1. The mechanics of checking and controlling the payment of invoices to C&B.
2. Budgeting

Whereas issue number one is a routine matter and will no doubt be solved, issue number two is a matter of principle, and I would like to bring my ideas on it to paper.

I understand it to be one of the Company's principles that fees for legal services rendered are EXCLUSIVELY paid for by the Legal Departments.

When starting the ETS/IAQ project two years ago it was a decision taken in New York (as against Neuchatel) which effectively said that PM's ETS/IAQ-related activities should be coordinated by C&B and that the product liability-related efforts should be handled by SH&B.

As there was to be substantial involvement of consultant scientists in the ETS/IAQ project, I understood that their fees and expenses, together with the handling expenses of C&B, should be supervised by and paid for by S&T Neuchatel, as far as they concerned the EEC and EEMA Regions.

The opening of C&B and SH&B offices in London was obviously approved in New York. I was never given any details what the cost implications were for S&T. By the same token, whilst I am able to judge necessity, benefit and cost of the work of consultants (Chuck and I are in constant touch), I have no idea what invoices to expect as far as C&B's services are concerned.

By the way, I have never had SH&B invoices to pay, although some of expenses relating to conferences and consultants were channeled through SH&B.

Just for the sake of completion, I would like to mention one other hidden cost factor the S&T budget is exposed to.

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Special orders, such as writing books, frequently arrive at consultants (eg. Dr. Reynolds who is an assistant to Prof. Perry).

In this particular case, Dr. Reynolds was hired by Perry for experimental work. We took her through a practical training period, and then she was deviated to writing a chapter in a book. I agree that this is of importance, but it throws our laboratory schedule out for several months, equipment is lying idle, programmes have to be changed, and all this has an effect on the cost of the project for which I am accountable.

I hope that this gives you the flavour. The work is proceeding very well, save small hiccups, but part of the financial side is migraine-ogenic.

Personally, I would be very happy if we stuck to the time-honoured practice of lawyers being paid by the Legal Department and scientists by S&T, with the understanding that some of the latter payments pass through a law firm.

Mit den besten Gr|ssen,

Helmut Gaisch

cc: SDARRAH --VCH0021A Stephen Darrah
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